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Labor Group Got \$1 Million From CIA

Institute Financed
From 1961 to 1963
By a U.S. Conduit

By Dan Kurzman

Washington Post Staff Writer

NEW YORK, Feb. 20—An international and economic research organization headed by former Socialist Party leader Norman Thomas has received over \$1 million from a foundation identified as a conduit for Central Intelligence Agency funds.

Activities of the organization, the Institute for International Labor Research, were financed almost totally from 1961 to 1963 by the J. M. Kaplan Fund of New York, which congressional investigators described in 1964 as a channel for agency money. The funds were not exhausted until last year, officials of the research group said today.

The money was used to establish and operate the Institute of Political Education in Costa Rica, which has trained many Latin American leaders in "democratic leftism"; a research institution in the Dominican Republic under the regime of a reformist president Juan Bosch, who was ousted in a rightist coup in 1963; and a publishing firm in Mexico City.

Thomas, who was chairman of the now-defunct New York research group, said he had been unaware of the CIA's role in financing these operations.

"I acknowledge my own stupidity," he said. "It was my business to know, but I didn't."

Thomas's organization received \$1,048,940 from the Kaplan Fund from January 1961 to September 1963. This sum represented all but about \$25,000 of the total funds received in that period.

The New York Institute was formed largely under the guidance of Sacha Volman, a Rumanian-born U.S. citizen who had been working for Radio Free Europe, widely reported to be subsidized by CIA. He interested Thomas in the idea as a means of fostering anti-Communist democratic activity in Latin America.

Incorporated in February, 1957, the organization at first had little money, with which to operate. In 1961 Thomas asked Jacob M. Kaplan, philanthropist and former president of the Welch Grape Juice Co., for a contribution from the fund he had founded.

The fund provided an initial sum of \$35,000 in January, 1961. It made 16 subsequent payments. The last, in September, 1963, amounted to \$100,000.

From 1961 to 1964, Thomas's New York-based institute contributed \$258,000 to the Institute of Political Education in Costa Rica, whose policies were controlled by 17 Latin American left-of-center political parties. Bosch was one of the instructors in the Institute, which taught democratic leadership techniques. The most influential Institute leader was former Costa Rican President Jose Figueres.

In 1964, the Kaplan Fund cut off its subsidies to the Costa Rican center with the explanation that its operation by political parties might have jeopardized the Fund's tax-exempt status.

In 1963, \$35,000 in Kaplan money was channeled to the Inter-American Center of Economic and Social Studies in the Dominican Republic, which Bosch formed after his election to office.

This group is credited with having conducted the nation's first full-scale economic survey. It was dissolved in late 1963 by the rightist government that ousted Bosch.

Thomas's group also established with Kaplan funds in 1963 the Center of Studies and Documentation in Mexico City under the direction of Victor Alba, a writer on Latin American affairs. The function of this organization was to distribute technical and political science books also geared to democratic leftism. It ceased its operation last year.

Thomas pointed out that his New York group had often opposed U.S. Government policy. After the U.S. military intervention in the Dominican Republic in 1965, it distributed a publication severely condemning this action.

"No foundations," he said, "and certainly not the CIA, ever gave any suggestions as to what we should do or not do."

He said the agency is no institution to support the kind of work that his organization was trying to do. The Institute closed down last year.

From Miami Beach, Washington Post Staff Writer Frank Porter reported: President George Meany of

the AFL-CIO replied "absolutely not" when asked at a news conference whether his organization had ever received a subsidy from the CIA. He said he did not know whether or not any AFL-CIO affiliates had taken Government money.

"The CIA has a job to do but I think they can do it without using the trade union movement or subsidizing the trade union movement," Meany said.

The American Newspaper Guild has received about \$1 million since 1960 from foundation sources believed to be conduits for CIA funds. The Guild has said that it accepted the money without knowing of the CIA connection.

Jay Lovestone, head of the International Affairs Department of the AFL-CIO, like Meany, told a reporter that none of the central bodies of the organization received CIA support.

He also denied published charges that he himself is part of the CIA apparatus. Lovestone began his career as head of the Communist Party of the United States in the late 1920s, but quit the movement after breaking with Stalin.